

COMMITTEE/SUBCOMMITTEE AMENDMENT

PCB Name: PCB SAC 14-04 (2014)

Amendment No.

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED (Y/N)

ADOPTED AS AMENDED (Y/N)

ADOPTED W/O OBJECTION (Y/N)

FAILED TO ADOPT (Y/N)

WITHDRAWN (Y/N)

OTHER

1 Committee/Subcommittee hearing PCB: State Affairs Committee
2 Representative Caldwell offered the following:

3
4 **Amendment (with title amendment)**

5 Remove everything after the enacting clause and insert:

6 Section 1. Subsection (2) of section 175.021, Florida
7 Statutes, is amended to read:

8 175.021 Legislative declaration.—

9 (2) This chapter hereby establishes, for all municipal and
10 special district pension plans existing ~~now or hereafter~~ under
11 this chapter, including chapter plans and local law plans,
12 minimum benefits and minimum standards for the operation and
13 funding of such plans, hereinafter referred to as firefighters'
14 pension trust funds, which must be met as a condition precedent
15 to the plan or plan sponsor receiving a distribution of
16 insurance premium tax revenues under s. 175.121. The minimum
17 benefits and minimum standards for each plan as set forth in

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18 this chapter may not be diminished by local charter, ordinance,
19 or resolution or by special act of the Legislature and may not
20 ~~nor may the minimum benefits or minimum standards~~ be reduced or
21 offset by any other local, state, or federal law that includes
22 ~~may include~~ firefighters in its operation, except as provided
23 under s. 112.65.

24 Section 2. Section 175.032, Florida Statutes, is amended
25 to read:

26 175.032 Definitions.—For any municipality, special fire
27 control district, chapter plan, local law municipality, local
28 law special fire control district, or local law plan under this
29 chapter, the term ~~following words and phrases have the following~~
30 ~~meanings:~~

31 (1) "Additional premium tax revenues" means revenues
32 received by a municipality or special fire control district
33 pursuant to s. 175.121 which exceed base premium tax revenues.

34 ~~(2)(1)(a)~~ "Average final compensation" for:

35 (a) A full-time firefighter means one-twelfth of the
36 average annual compensation of the 5 best years of the last 10
37 years of creditable service before ~~prior to~~ retirement,
38 termination, or death, or the career average as a full-time
39 firefighter since July 1, 1953, whichever is greater. A year is
40 ~~shall be~~ 12 consecutive months or such other consecutive period
41 of time as is used and consistently applied.

42 (b) ~~"Average final compensation" for~~ A volunteer
43 firefighter means the average salary of the 5 best years of the

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44 last 10 best contributing years before ~~prior to~~ change in status
45 to a permanent full-time firefighter or retirement as a
46 volunteer firefighter or the career average of a volunteer
47 firefighter, since July 1, 1953, whichever is greater.

48 (3) "Base premium tax revenues" means the revenues
49 received by a municipality or special fire control district
50 pursuant to s. 175.121 for the calendar year 1997.

51 (4)~~(2)~~ "Chapter plan" means a separate defined benefit
52 pension plan for firefighters which incorporates by reference
53 the provisions of this chapter and has been adopted by the
54 governing body of a municipality or special district. Except as
55 ~~may be~~ specifically authorized in this chapter, the provisions
56 of a chapter plan may not differ from the plan provisions set
57 forth in ss. 175.021-175.341 and ss. 175.361-175.401. Actuarial
58 valuations of chapter plans shall be conducted by the division
59 as provided by s. 175.261(1).

60 (5)~~(3)~~ "Compensation" or "salary" means, for
61 noncollectively bargained service earned before July 1, 2011, or
62 for service earned under collective bargaining agreements in
63 place before July 1, 2011, the fixed monthly remuneration paid a
64 firefighter. If remuneration is based on actual services
65 rendered, as in the case of a volunteer firefighter, the term
66 means the total cash remuneration received yearly for such
67 services, prorated on a monthly basis. For noncollectively
68 bargained service earned on or after July 1, 2011, or for
69 service earned under collective bargaining agreements entered

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70 into on or after July 1, 2011, the term has the same meaning
71 except that when calculating retirement benefits, up to 300
72 hours per year in overtime compensation may be included as
73 specified in the plan or collective bargaining agreement, but
74 payments for accrued unused sick or annual leave may not be
75 included.

76 (a) Any retirement trust fund or plan that meets the
77 requirements of this chapter does not, solely by virtue of this
78 subsection, reduce or diminish the monthly retirement income
79 otherwise payable to each firefighter covered by the retirement
80 trust fund or plan.

81 (b) The member's compensation or salary contributed as
82 employee-elective salary reductions or deferrals to any salary
83 reduction, deferred compensation, or tax-sheltered annuity
84 program authorized under the Internal Revenue Code shall be
85 deemed to be the compensation or salary the member would receive
86 if he or she were not participating in such program and ~~shall be~~
87 treated as compensation for retirement purposes under this
88 chapter.

89 (c) For any person who first becomes a member in any plan
90 year beginning on or after January 1, 1996, compensation for
91 that plan year may not include any amounts in excess of the
92 Internal Revenue Code s. 401(a)(17) limitation, as amended by
93 the Omnibus Budget Reconciliation Act of 1993, which limitation
94 of \$150,000 shall be adjusted as required by federal law for
95 qualified government plans and ~~shall be~~ further adjusted for

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96 changes in the cost of living in the manner provided by Internal
97 Revenue Code s. 401(a)(17)(B). For any person who first became a
98 member before the first plan year beginning on or after January
99 1, 1996, the limitation on compensation may not be less than the
100 maximum compensation amount that was allowed to be taken into
101 account under the plan in effect on July 1, 1993, which
102 limitation shall be adjusted for changes in the cost of living
103 since 1989 in the manner provided by Internal Revenue Code s.
104 401(a)(17)(1991).

105 ~~(6)(4)~~ "Creditable service" or "credited service" means
106 the aggregate number of years of service~~7~~ and fractional parts
107 of years of service~~7~~ of any firefighter, omitting intervening
108 years and fractional parts of years when such firefighter may
109 not have been employed by the municipality or special fire
110 control district, subject to the following conditions:

111 (a) A ~~No~~ firefighter may not ~~will~~ receive credit for years
112 or fractional parts of years of service if he or she has
113 withdrawn his or her contributions to the fund for those years
114 or fractional parts of years of service, unless the firefighter
115 repays into the fund the amount he or she has withdrawn, plus
116 interest determined by the board. The member shall have at least
117 90 days after his or her reemployment to make repayment.

118 (b) A firefighter may voluntarily leave his or her
119 contributions in the fund for ~~a period of~~ 5 years after leaving
120 the employ of the fire department, pending the possibility of
121 being rehired by the same department, without losing credit for

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122 the time he or she has participated actively as a firefighter.
123 If the firefighter is not reemployed as a firefighter, with the
124 same department, within 5 years, his or her contributions shall
125 be returned without interest.

126 (c) Credited service under this chapter shall be provided
127 only for service as a firefighter, ~~as defined in subsection (8),~~
128 or for military service and does not include credit for any
129 other type of service. A municipality ~~may,~~ by local ordinance,
130 or a special fire control district ~~may,~~ by resolution, may
131 provide for the purchase of credit for military service prior to
132 employment as well as for prior service as a firefighter for
133 some other employer as long as a firefighter is not entitled to
134 receive a benefit for such prior service ~~as a firefighter~~. For
135 purposes of determining credit for prior service as a
136 firefighter, in addition to service as a firefighter in this
137 state, credit may be given for federal, other state, or county
138 service if the prior service is recognized by the Division of
139 State Fire Marshal as provided in ~~under~~ chapter 633, or the
140 firefighter provides proof to the board of trustees that his or
141 her service is equivalent to the service required to meet the
142 definition of a firefighter under subsection (11) ~~(8)~~.

143 (d) In determining the creditable service of any
144 firefighter, credit for up to 5 years of the time spent in the
145 military service of the Armed Forces of the United States shall
146 be added to the years of actual service if:

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147 1. The firefighter is in the active employ of an employer
148 immediately prior to such service and leaves a position, other
149 than a temporary position, for the purpose of voluntary or
150 involuntary service in the Armed Forces of the United States.

151 2. The firefighter is entitled to reemployment under the
152 provisions of the Uniformed Services Employment and Reemployment
153 Rights Act.

154 3. The firefighter returns to his or her employment as a
155 firefighter of the municipality or special fire control district
156 within 1 year from the date of release from such active service.

157 (7)-(5) "Deferred Retirement Option Plan" or "DROP" means a
158 local law plan retirement option in which a firefighter may
159 elect to participate. A firefighter may retire for all purposes
160 of the plan and defer receipt of retirement benefits into a DROP
161 account while continuing employment with his or her employer.
162 However, a firefighter who enters ~~the~~ DROP and who is otherwise
163 eligible to participate may shall not ~~thereby~~ be precluded from
164 participation or continued participation participating, or
165 continuing to participate, in a supplemental plan in existence
166 on, or created after, March 12, 1999 ~~the effective date of this~~
167 ~~act.~~

168 (8) "Defined contribution plan" means the component of a
169 local law plan, as provided in s. 175.351(1), to which deposits,
170 if any, are made to provide benefits for firefighters, or for
171 firefighters and police officers if both are included. Such
172 component is an element of a local law plan and exists in

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173 conjunction with the defined benefit component that meets the
174 minimum benefits and minimum standards of this chapter. The
175 retirement benefits, if any, of the defined contribution plan
176 shall be provided through individual member accounts in
177 accordance with the applicable provisions of the Internal
178 Revenue Code and related regulations and are limited to the
179 contributions, if any, made into each member's account and the
180 actual accumulated earnings, net of expenses, earned on the
181 member's account.

182 (9)-(6) "Division" means the Division of Retirement of the
183 Department of Management Services.

184 (10)-(7) "Enrolled actuary" means an actuary who is
185 enrolled under Subtitle C of Title III of the Employee
186 Retirement Income Security Act of 1974 and who is a member of
187 the Society of Actuaries or the American Academy of Actuaries.

188 (11)-(8)(a) "Firefighter" means a person employed solely by
189 a constituted fire department of any municipality or special
190 fire control district who is certified as a firefighter as a
191 condition of employment in accordance with s. 633.408 and whose
192 duty it is to extinguish fires, to protect life, or to protect
193 property. The term includes all certified, supervisory, and
194 command personnel whose duties include, in whole or in part, the
195 supervision, training, guidance, and management responsibilities
196 of full-time firefighters, part-time firefighters, or auxiliary
197 firefighters but does not include part-time firefighters or
198 auxiliary firefighters. However, for purposes of this chapter

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199 only, the term also includes public safety officers who are
200 responsible for performing both police and fire services, who
201 are certified as police officers or firefighters, and who are
202 certified by their employers to the Chief Financial Officer as
203 participating in this chapter before October 1, 1979. Effective
204 October 1, 1979, public safety officers who have not been
205 certified as participating in this chapter are considered police
206 officers for retirement purposes and are eligible to participate
207 in chapter 185. Any plan may provide that the fire chief has an
208 option to participate, ~~or not,~~ in that plan.

209 (b) "Volunteer firefighter" means any person whose name is
210 carried on the active membership roll of a constituted volunteer
211 fire department or a combination of a paid and volunteer fire
212 department of any municipality or special fire control district
213 and whose duty it is to extinguish fires, to protect life, and
214 to protect property. Compensation for services rendered by a
215 volunteer firefighter does ~~shall~~ not disqualify him or her as a
216 volunteer. A person may ~~shall~~ not be disqualified as a volunteer
217 firefighter solely because he or she has other gainful
218 employment. Any person who volunteers assistance at a fire but
219 is not an active member of a department described herein is not
220 a volunteer firefighter within the meaning of this paragraph.

221 ~~(12)-(9)~~ "Firefighters' Pension Trust Fund" means a trust
222 fund, by whatever name known, as provided under s. 175.041, for
223 the purpose of assisting municipalities and special fire control

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224 districts in establishing and maintaining a retirement plan for
225 firefighters.

226 ~~(13)-(10)~~ "Local law municipality" is any municipality in
227 which ~~there exists~~ a local law plan exists.

228 ~~(14)-(11)~~ "Local law plan" means a retirement defined
229 benefit pension plan, which includes both a defined benefit plan
230 component and a defined contribution plan component, for
231 firefighters, or for firefighters and ~~ex~~ police officers if both
232 are where included, as described in s. 175.351, established by
233 municipal ordinance, special district resolution, or special act
234 of the Legislature, which ~~enactment~~ sets forth all plan
235 provisions. Local law plan provisions may vary from the
236 provisions of this chapter if the, provided that required
237 minimum benefits and minimum standards of this chapter are met.
238 However, any such variance must ~~shall~~ provide a greater benefit
239 for firefighters. Actuarial valuations of local law plans shall
240 be conducted by an enrolled actuary as provided in s.
241 175.261(2).

242 ~~(15)-(12)~~ "Local law special fire control district" means
243 ~~is~~ any special fire control district in which ~~there exists~~ a
244 local law plan exists.

245 (16) "Minimum benefits" means the benefits set forth in
246 ss. 175.021-175.341 and ss. 175.361-175.401.

247 (17) "Minimum standards" means the standards set forth in
248 ss. 175.021-175.341 and ss. 175.361-175.401.

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249 ~~(18)-(13)~~ "Property insurance" means property insurance as
250 defined in s. 624.604 and covers real and personal property
251 within the corporate limits of a any municipality, or within the
252 boundaries of a any special fire control district, within the
253 state. The term "multiple peril" means a combination or package
254 policy that includes both property and casualty coverage for a
255 single premium.

256 ~~(19)-(14)~~ "Retiree" or "retired firefighter" means a
257 firefighter who has entered retirement status. For the purposes
258 of a plan that includes a Deferred Retirement Option Plan
259 (DROP), a firefighter who enters ~~the~~ DROP is ~~shall be~~ considered
260 a retiree for all purposes of the plan. However, a firefighter
261 who enters ~~the~~ DROP and who is otherwise eligible to participate
262 may shall not ~~thereby~~ be precluded from participation or
263 continued participation ~~participating, or continuing to~~
264 ~~participate,~~ in a supplemental plan in existence on, or created
265 after, March 12, 1999 ~~the effective date of this act.~~

266 ~~(20)-(15)~~ "Retirement" means a firefighter's separation
267 from municipal city or fire district employment as a firefighter
268 with immediate eligibility for ~~receipt of~~ benefits under the
269 plan. For purposes of a plan that includes a Deferred Retirement
270 Option Plan (DROP), "retirement" means the date a firefighter
271 enters ~~the~~ DROP.

272 (21) "Special act plan" means a plan subject to the
273 provisions of this chapter which was created by an act of the

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274 Legislature and continues to require an act of the Legislature
275 to alter plan benefits.

276 (22) "Special benefits" means benefits provided in a
277 defined contribution plan for firefighters.

278 ~~(23)(16)~~ "Special fire control district" means a special
279 district, as defined in s. 189.403~~(1)~~, established for the
280 purposes of extinguishing fires, protecting life, and protecting
281 property within the incorporated or unincorporated portions of a
282 ~~any~~ county or combination of counties, or within any combination
283 of incorporated and unincorporated portions of a ~~any~~ county or
284 combination of counties. The term does not include any dependent
285 or independent special district, as those terms are defined in
286 s. 189.403, whose s. 189.403(2) and (3), respectively, the
287 employees of which are members of the Florida Retirement System
288 pursuant to s. 121.051(1) or (2).

289 ~~(24)(17)~~ "Supplemental plan" means a plan to which
290 deposits are made to provide extra benefits for firefighters, or
291 for firefighters and police officers if both are ~~where~~ included
292 ~~under this chapter~~. Such a plan is an element of a local law
293 plan and exists in conjunction with a defined benefit component
294 ~~plan~~ that meets the minimum benefits and minimum standards of
295 this chapter. Any supplemental plan in existence on March 1,
296 2014, shall be deemed to be a defined contribution plan in
297 compliance with s. 175.351(6).

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298 ~~(25)-(18)~~ "Supplemental plan municipality" means a ~~any~~
299 local law municipality in which any ~~there existed~~ a supplemental
300 plan existed, ~~of any type or nature~~, as of December 1, 2000.

301 Section 3. Subsection (7) of section 175.071, Florida
302 Statutes, is amended to read:

303 175.071 General powers and duties of board of trustees.—
304 For any municipality, special fire control district, chapter
305 plan, local law municipality, local law special fire control
306 district, or local law plan under this chapter:

307 (7) To assist the board in meeting its responsibilities
308 under this chapter, the board, if it so elects, may:

309 (a) Employ independent legal counsel at the pension fund's
310 expense.

311 (b) Employ an independent enrolled actuary, as defined in
312 s. 175.032~~(7)~~, at the pension fund's expense.

313 (c) Employ such independent professional, technical, or
314 other advisers as it deems necessary at the pension fund's
315 expense.

316

317 If the board chooses to use the municipality's or special
318 district's legal counsel or actuary, or chooses to use any of
319 the municipality's or special district's other professional,
320 technical, or other advisers, it must do so only under terms and
321 conditions acceptable to the board.

322 Section 4. Paragraph (d) of subsection (1) of section
323 175.091, Florida Statutes, is amended to read:

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324 175.091 Creation and maintenance of fund.—For any
325 municipality, special fire control district, chapter plan, local
326 law municipality, local law special fire control district, or
327 local law plan under this chapter:

328 (1) The firefighters' pension trust fund in each
329 municipality and in each special fire control district shall be
330 created and maintained in the following manner:

331 (d) By mandatory payment by the municipality or special
332 fire control district of a sum equal to the normal cost of and
333 the amount required to fund any actuarial deficiency shown by an
334 actuarial valuation conducted under ~~as provided in~~ part VII of
335 chapter 112 after taking into account the amounts described in
336 paragraphs (b), (c), (e), (f), and (g) and the tax proceeds
337 described in paragraph (a) which are used to fund defined
338 benefit plan benefits.

339
340 Nothing in this section shall be construed to require adjustment
341 of member contribution rates in effect on the date this act
342 becomes a law, including rates that exceed 5 percent of salary,
343 provided that such rates are at least one-half of 1 percent of
344 salary.

345 Section 5. Paragraph (a) of subsection (2) of section
346 175.162, Florida Statutes, is amended to read:

347 175.162 Requirements for retirement.—For any municipality,
348 special fire control district, chapter plan, local law
349 municipality, local law special fire control district, or local

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350 law plan under this chapter, any firefighter who completes 10 or
351 more years of creditable service as a firefighter and attains
352 age 55, or completes 25 years of creditable service as a
353 firefighter and attains age 52, and who for such minimum period
354 has been a member of the firefighters' pension trust fund
355 operating under a chapter plan or local law plan, is eligible
356 for normal retirement benefits. Normal retirement under the plan
357 is retirement from the service of the municipality or special
358 fire control district on or after the normal retirement date. In
359 such event, payment of retirement income will be governed by the
360 following provisions of this section:

361 (2) (a) 1. The amount of monthly retirement income payable
362 to a full-time firefighter who retires on or after his or her
363 normal retirement date shall be an amount equal to the number of
364 his or her years of credited service multiplied by 2.75 ~~±~~
365 percent of his or her average final compensation as a full-time
366 firefighter. ~~However, if current state contributions pursuant to~~
367 ~~this chapter are not adequate to fund the additional benefits to~~
368 ~~meet the minimum requirements in this chapter, only such~~
369 ~~incremental increases shall be required as state moneys are~~
370 ~~adequate to provide. Such increments shall be provided as state~~
371 ~~moneys become available.~~

372 2. Effective July 1, 2014, a plan that is in compliance
373 with this chapter except that the plan provides a benefit that
374 is less than 2.75 percent of the average final compensation of a
375 full-time firefighter must maintain, at a minimum, the

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376 percentage amount in effect on July 1, 2014, and is not required
377 to increase the benefit to 2.75 percent of the average final
378 compensation of a full-time firefighter.

379 3. Effective July 1, 2014, a plan that is in compliance
380 with this chapter except that the plan provides a benefit that
381 is less than 2.75 percent of the average final compensation of a
382 full-time firefighter and that changes its accrual rate to 2.75
383 percent, or greater, of the average final compensation of a
384 full-time firefighter, as defined in section 175.162(2)(a)1.,
385 may not thereafter decrease the accrual rate to less than 2.75
386 percent of the average final compensation of a full-time
387 firefighter.

388 Section 6. Section 175.351, Florida Statutes, is amended
389 to read:

390 175.351 Municipalities and special fire control districts
391 that have ~~having~~ their own pension plans for firefighters. ~~For~~
392 ~~any municipality, special fire control district, local law~~
393 ~~municipality, local law special fire control district, or local~~
394 ~~law plan under this chapter,~~ In order for a municipality or
395 ~~municipalities and special fire control~~ district that has its
396 ~~districts with their own pension plan plans~~ for firefighters, or
397 for firefighters and police officers if both are included, to
398 participate in the distribution of the tax fund established
399 under ~~pursuant to~~ s. 175.101, a local law plan plans must meet
400 the minimum benefits and minimum standards set forth in this
401 chapter.

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402 (1) If a municipality has a pension plan for firefighters,
403 or ~~a pension plan~~ for firefighters and police officers if both
404 are included, which in the opinion of the division meets the
405 minimum benefits and minimum standards set forth in this
406 chapter, the board of trustees of the pension plan must, ~~as~~
407 ~~approved by a majority of firefighters of the municipality, may:~~

408 ~~(a)~~ place the income from the premium tax in s. 175.101 in
409 such ~~pension~~ plan for the sole and exclusive use of its
410 firefighters, or for firefighters and police officers if both
411 are included, where it shall become an integral part of that
412 ~~pension~~ plan and ~~shall~~ be used to fund benefits as provided
413 herein. Effective October 1, 2014, for noncollectively bargained
414 service or upon entering into a collective bargaining agreement
415 on or after July 1, 2014:

416 (a) The base premium tax revenues must be used to fund
417 minimum benefits or other retirement benefits in excess of the
418 minimum benefits as determined by the municipality or special
419 fire control district.

420 (b) Of the additional premium tax revenues received which
421 are in excess of the amount received for the 2013 calendar year,
422 50 percent must be used to fund minimum benefits or other
423 retirement benefits in excess of the minimum benefits as
424 determined by the municipality or special fire control district,
425 and 50 percent must be placed in a defined contribution plan to
426 fund special benefits.

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427 (c) Additional premium tax revenues not described in
428 paragraph (b) must be used to fund benefits that are not
429 included in the minimum benefits. If the additional premium tax
430 revenues subject to this paragraph exceed the full cost of
431 benefits provided through the plan which are in excess of the
432 minimum benefits, any amount in excess of the full cost must be
433 used as provided in paragraph (b).

434 (d) Any accumulations of additional premium tax revenues
435 which have not been applied to fund benefits in excess of the
436 minimum benefits may be allocated by mutual consent as provided
437 in paragraph (g). If such accumulations are not allocated by
438 mutual consent, 50 percent of the amount of the accumulations
439 must be used to fund special benefits and 50 percent must be
440 applied to fund any unfunded actuarial liabilities of the plan
441 to pay extra benefits to the firefighters included in that
442 pension plan; or

443 ~~(b) Place the income from the premium tax in s. 175.101 in~~
444 ~~a separate supplemental plan to pay extra benefits to~~
445 ~~firefighters, or to firefighters and police officers if~~
446 ~~included, participating in such separate supplemental plan.~~

447 (e) For a plan created after March 1, 2014, 50 percent of
448 the insurance premium tax revenues must be used to fund defined
449 benefit plan component benefits, with the remainder used to fund
450 defined contribution plan component benefits.

451 (f) If a plan offers benefits in excess of the minimum
452 benefits, excluding supplemental plan benefits in effect as of

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453 September 30, 2013, such benefits may be reduced if the plan
454 continues to meet the minimum benefits and the minimum standards
455 set forth in this chapter. The amount of insurance premium tax
456 revenues previously used to fund benefits in excess of minimum
457 benefits, excluding supplemental plan benefits in effect as of
458 September 30, 2013, before the reduction must be used as
459 provided in paragraph (b). However, benefits in excess of the
460 minimum benefits may not be reduced if a plan does not meet the
461 minimum accrual rate of 2.75 percent, or greater, of the average
462 final compensation of a full-time firefighter.

463 (g) Notwithstanding any other provision of this
464 subsection, the use of premium tax revenues, including any
465 accumulations of additional tax revenues which have not been
466 applied to fund benefits in excess of the minimum benefits, may
467 deviate from the provisions of this subsection by mutual consent
468 of the members' collective bargaining representative or, if
469 none, by majority consent of the firefighter members of the
470 fund, and by consent of the municipality or special fire control
471 district, provided that the plan continues to meet the minimum
472 benefits and minimum standards of this chapter; however, a plan
473 operating pursuant to the provisions of this paragraph which
474 does not meet a minimum benefit as of October 1, 2012, may
475 continue to provide the benefit that does not meet the minimum
476 benefit at the same level, but not less than that level, as was
477 provided as of October 1, 2012, and all other benefit levels
478 must continue to meet the minimum benefits. Such mutually agreed

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479 deviation shall continue until modified or revoked by subsequent
480 mutual consent of the members' collective bargaining
481 representative or, if none, by a majority of the firefighter
482 members of the fund, and the municipality or special fire
483 control district. A special act plan or a plan within a
484 supplemental plan municipality shall be considered to have
485 mutually consented to such deviation as of July 1, 2014,
486 regarding the existing arrangement on the use of premium tax
487 revenues.

488 (2) The premium tax provided by this chapter shall ~~in all~~
489 ~~eases~~ be used in its entirety to provide retirement ~~extra~~
490 benefits to firefighters, or to firefighters and police officers
491 if both are included. ~~However, local law plans in effect on~~
492 ~~October 1, 1998, must comply with the minimum benefit provisions~~
493 ~~of this chapter only to the extent that additional premium tax~~
494 ~~revenues become available to incrementally fund the cost of such~~
495 ~~compliance as provided in s. 175.162(2)(a). If a plan is in~~
496 ~~compliance with such minimum benefit provisions, as subsequent~~
497 ~~additional premium tax revenues become available, they must be~~
498 ~~used to provide extra benefits.~~ Local law plans created by
499 special act before May 27, 1939, are deemed to comply with this
500 chapter. ~~For the purpose of this chapter, the term:~~

501 ~~(a) "Additional premium tax revenues" means revenues~~
502 ~~received by a municipality or special fire control district~~
503 ~~pursuant to s. 175.121 which exceed that amount received for~~
504 ~~calendar year 1997.~~

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505 ~~(b) "Extra benefits" means benefits in addition to or~~
506 ~~greater than those provided to general employees of the~~
507 ~~municipality and in addition to those in existence for~~
508 ~~firefighters on March 12, 1999.~~

509 (3) A retirement plan or amendment to a retirement plan
510 may not be proposed for adoption unless the proposed plan or
511 amendment contains an actuarial estimate of the costs involved.
512 Such proposed plan or proposed plan change may not be adopted
513 without the approval of the municipality, special fire control
514 district, or, where required ~~permitted~~, the Legislature. Copies
515 of the proposed plan or proposed plan change and the actuarial
516 impact statement of the proposed plan or proposed plan change
517 shall be furnished to the division before the last public
518 hearing on the proposal is held ~~thereon~~. Such statement must
519 also indicate whether the proposed plan or proposed plan change
520 is in compliance with s. 14, Art. X of the State Constitution
521 and those provisions of part VII of chapter 112 which are not
522 expressly provided in this chapter. Notwithstanding any other
523 provision, only those local law plans created by special act of
524 legislation before May 27, 1939, are deemed to meet the minimum
525 benefits and minimum standards only in this chapter.

526 (4) Notwithstanding any other provision, with respect to
527 any supplemental plan municipality:

528 (a) A local law plan and a supplemental plan may continue
529 to use their definition of compensation or salary in existence
530 on March 12, 1999.

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531 (b) Section 175.061(1)(b) does not apply, and a local law
532 plan and a supplemental plan shall continue to be administered
533 by a board or boards of trustees numbered, constituted, and
534 selected as the board or boards were numbered, constituted, and
535 selected on December 1, 2000.

536 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
537 ~~to have been made.~~

538 (5) The retirement plan setting forth the benefits and the
539 trust agreement, if any, covering the duties and
540 responsibilities of the trustees and the regulations of the
541 investment of funds must be in writing, and copies made
542 available to the participants and to the general public.

543 (6) In addition to the defined benefit component of the
544 local law plan, each plan sponsor must have a defined
545 contribution plan component within the local law plan by October
546 1, 2014, for noncollectively bargained service, upon entering
547 into a collective bargaining agreement on or after July 1, 2014,
548 or upon the creation date of a new participating plan. Depending
549 upon the application of subsection (1), a defined contribution
550 component may or may not receive any funding.

551 (7) Notwithstanding any other provision of this chapter, a
552 municipality or special fire control district that has
553 implemented or proposed changes to a local law plan based on the
554 municipality's or district's reliance on an interpretation of
555 this chapter by the Department of Management Services on or
556 after August 14, 2012, and before March 4, 2014, may continue

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557 the implemented changes or continue to implement proposed
558 changes. Such reliance must be evidenced by a written collective
559 bargaining proposal or agreement, or formal correspondence
560 between the municipality or district and the Department of
561 Management Services which describes the specific changes to the
562 local law plan, with the initial proposal, agreement, or
563 correspondence from the municipality or district dated before
564 March 4, 2014. Changes to the local law plan which are otherwise
565 contrary to the minimum benefits and minimum standards in this
566 chapter may continue in effect until the earlier of October 1,
567 2017, or the effective date of a collective bargaining agreement
568 that is contrary to the changes to the local law plan.

569 Section 7. Subsection (2) of section 185.01, Florida
570 Statutes, is amended to read:

571 185.01 Legislative declaration.-

572 (2) This chapter hereby establishes, for all municipal
573 pension plans ~~now or hereinafter~~ provided for under this
574 chapter, including chapter plans and local law plans, minimum
575 benefits and minimum standards for the operation and funding of
576 such plans, hereinafter referred to as municipal police
577 officers' retirement trust funds, which must be met as
578 conditions precedent to the plans or plan sponsors receiving a
579 distribution of insurance premium tax revenues under s. 185.10.
580 The minimum benefits and minimum standards for each plan as set
581 forth in this chapter may not be diminished by local ordinance
582 or by special act of the Legislature and may not, ~~nor may the~~

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583 ~~minimum benefits or minimum standards~~ be reduced or offset by
584 any other local, state, or federal plan that includes ~~may~~
585 ~~include~~ police officers in its operation, except as provided
586 under s. 112.65.

587 Section 8. Section 185.02, Florida Statutes, is amended to
588 read:

589 185.02 Definitions.—For any municipality, chapter plan,
590 local law municipality, or local law plan under this chapter,
591 the term following words and phrases as used in this chapter
592 ~~shall have the following meanings, unless a different meaning is~~
593 ~~plainly required by the context:~~

594 (1) "Additional premium tax revenues" means revenues
595 received by a municipality pursuant to s. 185.10 which exceed
596 base premium tax revenues.

597 (2)~~(1)~~ "Average final compensation" means one-twelfth of
598 the average annual compensation of the 5 best years of the last
599 10 years of creditable service prior to retirement, termination,
600 or death.

601 (3) "Base premium tax revenues" means the revenues
602 received by a municipality pursuant to s. 185.10 for the
603 calendar year 1997.

604 (4)~~(2)~~ "Casualty insurance" means automobile public
605 liability and property damage insurance to be applied at the
606 place of residence of the owner, or if the subject is a
607 commercial vehicle, to be applied at the place of business of
608 the owner; automobile collision insurance; fidelity bonds;

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609 burglary and theft insurance; and plate glass insurance. The
610 term "multiple peril" means a combination or package policy that
611 includes both property coverage and casualty coverage for a
612 single premium.

613 (5)-(3) "Chapter plan" means a separate defined benefit
614 pension plan for police officers which incorporates by reference
615 the provisions of this chapter and has been adopted by the
616 governing body of a municipality as provided in s. 185.08.
617 Except as ~~may be~~ specifically authorized in this chapter, the
618 provisions of a chapter plan may not differ from the plan
619 provisions set forth in ss. 185.01-185.341 and ss. 185.37-
620 185.39. Actuarial valuations of chapter plans shall be conducted
621 by the division as provided by s. 185.221(1)(b).

622 (6)-(4) "Compensation" or "salary" means, for
623 noncollectively bargained service earned before July 1, 2011, or
624 for service earned under collective bargaining agreements in
625 place before July 1, 2011, the total cash remuneration including
626 "overtime" paid by the primary employer to a police officer for
627 services rendered, but not including any payments for extra duty
628 or special detail work performed on behalf of a second party
629 employer. Overtime may be limited prior to July 1, 2011, in a
630 local law plan by the plan provisions. ~~A local law plan may~~
631 ~~limit the amount of overtime payments which can be used for~~
632 ~~retirement benefit calculation purposes; however, such overtime~~
633 ~~limit may not be less than 300 hours per officer per calendar~~
634 ~~year.~~ For noncollectively bargained service earned on or after

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635 July 1, 2011, or for service earned under collective bargaining
636 agreements entered into on or after July 1, 2011, the term has
637 the same meaning except that when calculating retirement
638 benefits, up to 300 hours per year in overtime compensation may
639 be included as specified in the plan or collective bargaining
640 agreement, but payments for accrued unused sick or annual leave
641 may not be included.

642 (a) Any retirement trust fund or plan that meets the
643 requirements of this chapter does not, solely by virtue of this
644 subsection, reduce or diminish the monthly retirement income
645 otherwise payable to each police officer covered by the
646 retirement trust fund or plan.

647 (b) The member's compensation or salary contributed as
648 employee-elective salary reductions or deferrals to any salary
649 reduction, deferred compensation, or tax-sheltered annuity
650 program authorized under the Internal Revenue Code shall be
651 deemed to be the compensation or salary the member would receive
652 if he or she were not participating in such program and shall be
653 treated as compensation for retirement purposes under this
654 chapter.

655 (c) For any person who first becomes a member in any plan
656 year beginning on or after January 1, 1996, compensation for
657 that plan year may not include any amounts in excess of the
658 Internal Revenue Code s. 401(a)(17) limitation, as amended by
659 the Omnibus Budget Reconciliation Act of 1993, which limitation
660 of \$150,000 shall be adjusted as required by federal law for

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661 qualified government plans and ~~shall be~~ further adjusted for
662 changes in the cost of living in the manner provided by Internal
663 Revenue Code s. 401(a)(17)(B). For any person who first became a
664 member before the first plan year beginning on or after January
665 1, 1996, the limitation on compensation may not be less than the
666 maximum compensation amount that was allowed to be taken into
667 account under the plan ~~as~~ in effect on July 1, 1993, which
668 limitation shall be adjusted for changes in the cost of living
669 since 1989 in the manner provided by Internal Revenue Code s.
670 401(a)(17)(1991).

671 ~~(7)-(5)~~ "Creditable service" or "credited service" means
672 the aggregate number of years of service and fractional parts of
673 years of service of any police officer, omitting intervening
674 years and fractional parts of years when such police officer may
675 not have been employed by the municipality subject to the
676 following conditions:

677 (a) A ~~No~~ police officer may not ~~will~~ receive credit for
678 years or fractional parts of years of service if he or she has
679 withdrawn his or her contributions to the fund for those years
680 or fractional parts of years of service, unless the police
681 officer repays into the fund the amount he or she has withdrawn,
682 plus interest as determined by the board. The member has ~~shall~~
683 ~~have~~ at least 90 days after his or her reemployment to make
684 repayment.

685 (b) A police officer may voluntarily leave his or her
686 contributions in the fund for ~~a period of~~ 5 years after leaving

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687 the employ of the police department, pending the possibility of
688 his or her being rehired by the same department, without losing
689 credit for the time he or she has participated actively as a
690 police officer. If he or she is not reemployed as a police
691 officer with the same department within 5 years, his or her
692 contributions shall be returned ~~to him or her~~ without interest.

693 (c) Credited service under this chapter shall be provided
694 only for service as a police officer, ~~as defined in subsection~~
695 ~~(11)~~, or for military service and may not include credit for any
696 other type of service. A municipality ~~may~~, by local ordinance,
697 may provide for the purchase of credit for military service
698 occurring before employment as well as prior service as a police
699 officer for some other employer as long as the police officer is
700 not entitled to receive a benefit for such ~~other~~ prior service
701 ~~as a police officer~~. For purposes of determining credit for
702 prior service, in addition to service as a police officer in
703 this state, credit may be given for federal, other state, or
704 county service as long as such service is recognized by the
705 Criminal Justice Standards and Training Commission within the
706 Department of Law Enforcement as provided in ~~under~~ chapter 943
707 or the police officer provides proof to the board of trustees
708 that such service is equivalent to the service required to meet
709 the definition of a police officer under subsection (16) ~~(11)~~.

710 (d) In determining the creditable service of a ~~any~~ police
711 officer, credit for up to 5 years of the time spent in the

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712 military service of the Armed Forces of the United States shall
713 be added to the years of actual service, if:

714 1. The police officer is in the active employ of the
715 municipality before ~~prior to~~ such service and leaves a position,
716 other than a temporary position, for the purpose of voluntary or
717 involuntary service in the Armed Forces of the United States.

718 2. The police officer is entitled to reemployment under
719 ~~the provisions of~~ the Uniformed Services Employment and
720 Reemployment Rights Act.

721 3. The police officer returns to his or her employment as
722 a police officer of the municipality within 1 year after ~~from~~
723 the date of his or her release from such active service.

724 ~~(8)-(6)~~ "Deferred Retirement Option Plan" or "DROP" means a
725 local law plan retirement option in which a police officer may
726 elect to participate. A police officer may retire for all
727 purposes of the plan and defer receipt of retirement benefits
728 into a DROP account while continuing employment with his or her
729 employer. However, a police officer who enters ~~the~~ DROP and who
730 is otherwise eligible to participate may ~~shall~~ not ~~thereby~~ be
731 precluded from participation or continued participation
732 ~~participating, or continuing to participate,~~ in a supplemental
733 plan in existence on, or created after, March 12, 1999 ~~the~~
734 ~~effective date of this act.~~

735 (9) "Defined contribution plan" means the component of a
736 local law plan, as provided in s. 185.35(1), to which deposits,
737 if any, are made to provide benefits for police officers, or for

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738 police officers and firefighters if both are included. Such
739 component is an element of a local law plan and exists in
740 conjunction with the defined benefit component that meets the
741 minimum benefits and minimum standards of this chapter. The
742 retirement benefits, if any, of the defined contribution plan
743 shall be provided through individual member accounts in
744 accordance with the applicable provisions of the Internal
745 Revenue Code and related regulations and are limited to the
746 contributions, if any, made into each member's account and the
747 actual accumulated earnings, net of expenses, earned on the
748 member's account.

749 (10)-(7) "Division" means the Division of Retirement of the
750 Department of Management Services.

751 (11)-(8) "Enrolled actuary" means an actuary who is
752 enrolled under Subtitle C of Title III of the Employee
753 Retirement Income Security Act of 1974 and who is a member of
754 the Society of Actuaries or the American Academy of Actuaries.

755 (12)-(9) "Local law municipality" means ~~is~~ any municipality
756 in which ~~there exists~~ a local law plan exists.

757 (13)-(10) "Local law plan" means a retirement defined
758 benefit pension plan, which includes both a defined benefit plan
759 component and a defined contribution plan component, for police
760 officers, or for police officers and firefighters if both are
761 ~~where~~ included, as described in s. 185.35, established by
762 municipal ordinance or special act of the Legislature, which
763 ~~enactment~~ sets forth all plan provisions. Local law plan

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764 provisions may vary from the provisions of this chapter if the
765 ~~provided that required~~ minimum benefits and minimum standards of
766 this chapter are met. However, any such variance must ~~shall~~
767 provide a greater benefit for police officers. Actuarial
768 valuations of local law plans shall be conducted by an enrolled
769 actuary as provided in s. 185.221(2)(b).

770 (14) "Minimum benefits" means the benefits set forth in
771 ss. 185.01-185.341 and ss. 185.37-185.50.

772 (15) "Minimum standards" means the standards set forth in
773 ss. 185.01-185.341 and ss. 185.37-185.50.

774 (16)~~(11)~~ "Police officer" means any person who is elected,
775 appointed, or employed full time by a ~~any~~ municipality, who is
776 certified or required to be certified as a law enforcement
777 officer in compliance with s. 943.1395, who is vested with
778 authority to bear arms and make arrests, and whose primary
779 responsibility is the prevention and detection of crime or the
780 enforcement of the penal, criminal, traffic, or highway laws of
781 the state. The term ~~This definition~~ includes all certified
782 supervisory and command personnel whose duties include, in whole
783 or in part, the supervision, training, guidance, and management
784 responsibilities of full-time law enforcement officers, part-
785 time law enforcement officers, or auxiliary law enforcement
786 officers, but does not include part-time law enforcement
787 officers or auxiliary law enforcement officers as those terms
788 ~~the same~~ are defined in s. 943.10~~(6) and (8), respectively.~~ For
789 the purposes of this chapter only, the term also includes

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790 ~~"police officer" also shall include~~ a public safety officer who
791 is responsible for performing both police and fire services. Any
792 plan may provide that the police chief shall have an option to
793 participate, ~~or not,~~ in that plan.

794 ~~(17)-(12)~~ "Police Officers' Retirement Trust Fund" means a
795 trust fund, by whatever name known, as provided under s. 185.03
796 for the purpose of assisting municipalities in establishing and
797 maintaining a retirement plan for police officers.

798 ~~(18)-(13)~~ "Retiree" or "retired police officer" means a
799 police officer who has entered retirement status. For the
800 purposes of a plan that includes a Deferred Retirement Option
801 Plan (DROP), a police officer who enters ~~the~~ DROP is ~~shall be~~
802 considered a retiree for all purposes of the plan. However, a
803 police officer who enters ~~the~~ DROP and who is otherwise eligible
804 to participate may ~~shall~~ not ~~thereby~~ be precluded from
805 participating, or continuing to participate, in a supplemental
806 plan in existence on, or created after, March 12, 1999 ~~the~~
807 ~~effective date of this act.~~

808 ~~(19)-(14)~~ "Retirement" means a police officer's separation
809 from municipal city employment as a police officer with
810 immediate eligibility for ~~receipt of~~ benefits under the plan.
811 For purposes of a plan that includes a Deferred Retirement
812 Option Plan (DROP), "retirement" means the date a police officer
813 enters ~~the~~ DROP.

814 (20) "Special act plan" means a plan subject to the
815 provisions of this chapter which was created by an act of the

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816 Legislature and continues to require an act of the Legislature
817 to alter plan benefits.

818 (21) "Special benefits" means benefits provided in a
819 defined contribution plan for police officers.

820 (22)~~(15)~~ "Supplemental plan" means a plan to which
821 deposits of the premium tax moneys as provided in s. 185.08 are
822 made to provide extra benefits to police officers, or police
823 officers and firefighters if both are ~~where included, under this~~
824 ~~chapter.~~ Such a plan is an element of a local law plan and
825 exists in conjunction with a defined benefit component ~~plan~~ that
826 meets the minimum benefits and minimum standards of this
827 chapter. Any supplemental plan in existence on March 1, 2014,
828 shall be deemed to be a defined contribution plan in compliance
829 with s. 185.35(6).

830 (23)~~(16)~~ "Supplemental plan municipality" means a ~~any~~
831 local law municipality in which ~~there existed~~ a supplemental
832 plan existed as of December 1, 2000.

833 Section 9. Subsection (6) of section 185.06, Florida
834 Statutes, is amended to read:

835 185.06 General powers and duties of board of trustees.—For
836 any municipality, chapter plan, local law municipality, or local
837 law plan under this chapter:

838 (6) To assist the board in meeting its responsibilities
839 under this chapter, the board, if it so elects, may:

840 (a) Employ independent legal counsel at the pension fund's
841 expense.

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842 (b) Employ an independent enrolled actuary, as defined in
843 s. 185.02~~(8)~~, at the pension fund's expense.

844 (c) Employ such independent professional, technical, or
845 other advisers as it deems necessary at the pension fund's
846 expense.

847
848 If the board chooses to use the municipality's or special
849 district's legal counsel or actuary, or chooses to use any of
850 the municipality's other professional, technical, or other
851 advisers, it must do so only under terms and conditions
852 acceptable to the board.

853 Section 10. Paragraph (d) of subsection (1) of section
854 185.07, Florida Statutes, is amended to read:

855 185.07 Creation and maintenance of fund.—For any
856 municipality, chapter plan, local law municipality, or local law
857 plan under this chapter:

858 (1) The municipal police officers' retirement trust fund
859 in each municipality described in s. 185.03 shall be created and
860 maintained in the following manner:

861 (d) By payment by the municipality or other sources of a
862 sum equal to the normal cost and the amount required to fund any
863 actuarial deficiency shown by an actuarial valuation conducted
864 under ~~as provided in~~ part VII of chapter 112 after taking into
865 account the amounts described in paragraphs (b), (c), (e), (f),
866 and (g) and the tax proceeds described in paragraph (a) which
867 are used to fund defined benefit plan benefits.

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868
869 Nothing in this section shall be construed to require adjustment
870 of member contribution rates in effect on the date this act
871 becomes a law, including rates that exceed 5 percent of salary,
872 provided that such rates are at least one-half of 1 percent of
873 salary.

874 Section 11. Subsection (2) of section 185.16, Florida
875 Statutes, is amended to read:

876 185.16 Requirements for retirement.—For any municipality,
877 chapter plan, local law municipality, or local law plan under
878 this chapter, any police officer who completes 10 or more years
879 of creditable service as a police officer and attains age 55, or
880 completes 25 years of creditable service as a police officer and
881 attains age 52, and for such period has been a member of the
882 retirement fund is eligible for normal retirement benefits.
883 Normal retirement under the plan is retirement from the service
884 of the city on or after the normal retirement date. In such
885 event, for chapter plans and local law plans, payment of
886 retirement income will be governed by the following provisions
887 of this section:

888 (2) (a) The amount of the monthly retirement income payable
889 to a police officer who retires on or after his or her normal
890 retirement date shall be an amount equal to the number of the
891 police officer's years of credited service multiplied by 2.75 ~~2~~
892 percent of his or her average final compensation. ~~However, if~~
893 ~~current state contributions pursuant to this chapter are not~~

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894 ~~adequate to fund the additional benefits to meet the minimum~~
895 ~~requirements in this chapter, only increment increases shall be~~
896 ~~required as state moneys are adequate to provide. Such~~
897 ~~increments shall be provided as state moneys become available.~~

898 (b) Effective July 1, 2014, a plan that is in compliance
899 with this chapter except that the plan provides a benefit that
900 is less than 2.75 percent of the average final compensation of a
901 police officer must maintain, at a minimum, the percentage
902 amount in effect on July 1, 2014, and is not required to
903 increase the benefit to 2.75 percent of the average final
904 compensation of a police officer.

905 (c) Effective July 1, 2014, a plan that is in compliance
906 with this chapter except that the plan provides a benefit that
907 is less than 2.75 percent of the average final compensation of a
908 police officer and that changes its accrual rate to 2.75
909 percent, or greater, of the average final compensation of a
910 police officer may not thereafter decrease the accrual rate to
911 less than 2.75 percent of the average final compensation of a
912 police officer.

913 Section 12. Section 185.35, Florida Statutes, is amended
914 to read:

915 185.35 Municipalities that have ~~having~~ their own
916 retirement ~~pension~~ plans for police officers. ~~For any~~
917 ~~municipality, chapter plan, local law municipality, or local law~~
918 ~~plan under this chapter,~~ In order for a municipality that has
919 its municipalities with their own retirement plan ~~pension plans~~

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920 for police officers, or for police officers and firefighters if
921 both are included, to participate in the distribution of the tax
922 fund established under ~~pursuant to~~ s. 185.08, a local law plan
923 ~~plans~~ must meet the minimum benefits and minimum standards set
924 forth in this chapter:

925 (1) If a municipality has a retirement ~~pension~~ plan for
926 police officers, or for police officers and firefighters if both
927 are included, which, in the opinion of the division, meets the
928 minimum benefits and minimum standards set forth in this
929 chapter, the board of trustees of the pension plan must, ~~as~~
930 ~~approved by a majority of police officers of the municipality,~~
931 ~~may:~~

932 ~~(a)~~ place the income from the premium tax in s. 185.08 in
933 such ~~pension~~ plan for the sole and exclusive use of its police
934 officers, or its police officers and firefighters if both are
935 included, where it shall become an integral part of that ~~pension~~
936 plan and ~~shall~~ be used to fund benefits as provided herein.
937 Effective October 1, 2014, for noncollectively bargained service
938 or upon entering into a collective bargaining agreement on or
939 after July 1, 2014:

940 (a) The base premium tax revenues must be used to fund
941 minimum benefits or other retirement benefits in excess of the
942 minimum benefits as determined by the municipality.

943 (b) Of the additional premium tax revenues received which
944 are in excess of the amount received for the 2013 calendar year,
945 50 percent must be used to fund minimum benefits or other

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946 retirement benefits in excess of the minimum benefits as
947 determined by the municipality, and 50 percent must be placed in
948 a defined contribution plan to fund special benefits.

949 (c) Additional premium tax revenues not described in
950 paragraph (b) must be used to fund benefits that are not
951 included in the minimum benefits. If the additional premium tax
952 revenues subject to this paragraph exceed the full cost of
953 benefits provided through the plan which are in excess of the
954 minimum benefits, any amount in excess of the full cost must be
955 used as provided in paragraph (b).

956 (d) Any accumulations of additional premium tax revenues
957 which have not been applied to fund benefits in excess of the
958 minimum benefits may be allocated by mutual consent as provided
959 in paragraph (g). If such accumulations are not allocated by
960 mutual consent, 50 percent of the amount of the accumulations
961 must be used to fund special benefits and 50 percent must be
962 applied to fund any unfunded actuarial liabilities of the plan
963 ~~pay extra benefits to the police officers included in that~~
964 ~~pension plan; or~~

965 ~~(b) May place the income from the premium tax in s. 185.08~~
966 ~~in a separate supplemental plan to pay extra benefits to the~~
967 ~~police officers, or police officers and firefighters if~~
968 ~~included, participating in such separate supplemental plan.~~

969 (e) For a plan created after March 1, 2014, 50 percent of
970 the insurance premium tax revenues shall be used to fund defined

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971 benefit plan component benefits, with the remainder used to fund
972 defined contribution plan component benefits.

973 (f) If a plan offers benefits in excess of the minimum
974 benefits, excluding supplemental plan benefits in effect as of
975 September 30, 2013, such benefits may be reduced if the plan
976 continues to meet the minimum benefits and the minimum standards
977 set forth in this chapter. The amount of insurance premium tax
978 revenues previously used to fund benefits in excess of the
979 minimum benefits, excluding supplemental plan benefits in effect
980 as of September 30, 2013, before the reduction must be used as
981 provided in paragraph (b). However, benefits in excess of the
982 minimum benefits may not be reduced if a plan does not meet the
983 minimum accrual rate of 2.75 percent, or greater, of the average
984 final compensation of a police officer, as defined in section
985 185.16(2) (a).

986 (g) Notwithstanding any other provisions of this
987 subsection, the use of premium tax revenues, including any
988 accumulations of additional tax revenues which have not been
989 applied to fund benefits in excess of the minimum benefits, may
990 deviate from the provisions of this subsection by mutual consent
991 of the members' collective bargaining representative or, if
992 none, by majority consent of the police office members of the
993 fund, and by consent of the municipality, provided that the plan
994 continues to meet the minimum benefits and minimum standards of
995 this chapter; however, a plan operating pursuant to the
996 provisions of this paragraph which does not meet a minimum

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997 benefit as of October 1, 2012, may continue to provide the
998 benefit that does not meet the minimum benefit at the same
999 level, but not less than that level, as was provided as of
1000 October 1, 2012, and all other benefits must continue to meet
1001 the minimum benefits. Such mutually agreed deviation shall
1002 continue until modified or revoked by subsequent mutual consent
1003 of the members' collective bargaining representative or, if
1004 none, by a majority of the police office members of the fund,
1005 and the municipality. A special act plan or a plan within a
1006 supplemental plan municipality shall be considered to have
1007 mutually consented to such deviation as of July 1 ,2014,
1008 regarding the existing arrangement on the use of premium tax
1009 revenues.

1010 (2) The premium tax provided by this chapter shall ~~in all~~
1011 ~~cases~~ be used in its entirety to provide retirement ~~extra~~
1012 benefits to police officers, or to police officers and
1013 firefighters if both are included. ~~However, local law plans in~~
1014 ~~effect on October 1, 1998, must comply with the minimum benefit~~
1015 ~~provisions of this chapter only to the extent that additional~~
1016 ~~premium tax revenues become available to incrementally fund the~~
1017 ~~cost of such compliance as provided in s. 185.16(2). If a plan~~
1018 ~~is in compliance with such minimum benefit provisions, as~~
1019 ~~subsequent additional tax revenues become available, they shall~~
1020 ~~be used to provide extra benefits.~~ Local law plans created by
1021 special act before May 27, 1939, shall be deemed to comply with
1022 this chapter. ~~For the purpose of this chapter, the term:~~

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1023 ~~(a) "Additional premium tax revenues" means revenues~~
1024 ~~received by a municipality pursuant to s. 185.10 which exceed~~
1025 ~~the amount received for calendar year 1997.~~

1026 ~~(b) "Extra benefits" means benefits in addition to or~~
1027 ~~greater than those provided to general employees of the~~
1028 ~~municipality and in addition to those in existence for police~~
1029 ~~officers on March 12, 1999.~~

1030 (3) A retirement plan or amendment to a retirement plan
1031 may not be proposed for adoption unless the proposed plan or
1032 amendment contains an actuarial estimate of the costs involved.
1033 Such proposed plan or proposed plan change may not be adopted
1034 without the approval of the municipality or, where required
1035 ~~permitted~~, the Legislature. Copies of the proposed plan or
1036 proposed plan change and the actuarial impact statement of the
1037 proposed plan or proposed plan change shall be furnished to the
1038 division before the last public hearing on the proposal is held
1039 ~~thereon~~. Such statement must also indicate whether the proposed
1040 plan or proposed plan change is in compliance with s. 14, Art. X
1041 of the State Constitution and those provisions of part VII of
1042 chapter 112 which are not expressly provided in this chapter.
1043 Notwithstanding any other provision, only those local law plans
1044 created by special act of legislation before May 27, 1939, are
1045 deemed to meet the minimum benefits and minimum standards only
1046 in this chapter.

1047 (4) Notwithstanding any other provision, with respect to
1048 any supplemental plan municipality:

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1049 (a) Section 185.02(6)(a) ~~185.02(4)(a)~~ does not apply, and
1050 a local law plan and a supplemental plan may continue to use
1051 their definition of compensation or salary in existence on March
1052 12, 1999.

1053 (b) A local law plan and a supplemental plan must continue
1054 to be administered by a board or boards of trustees numbered,
1055 constituted, and selected as the board or boards were numbered,
1056 constituted, and selected on December 1, 2000.

1057 ~~(c) The election set forth in paragraph (1)(b) is deemed~~
1058 ~~to have been made.~~

1059 (5) The retirement plan setting forth the benefits and the
1060 trust agreement, if any, covering the duties and
1061 responsibilities of the trustees and the regulations of the
1062 investment of funds must be in writing and copies made available
1063 to the participants and to the general public.

1064 (6) In addition to the defined benefit component of the
1065 local law plan, each plan sponsor must have a defined
1066 contribution plan component within the local law plan by October
1067 1, 2014, upon entering into a collective bargaining agreement on
1068 or after July 1, 2014, or upon the creation date of a new
1069 participating plan. Depending upon the application of subsection
1070 (1), a defined contribution component may or may not receive any
1071 funding.

1072 (7) Notwithstanding any other provision of this chapter, a
1073 municipality that has implemented or proposed changes to a local
1074 law plan based on the municipality's reliance on an

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1075 interpretation of this chapter by the Department of Management
1076 Services on or after August 14, 2012, and before March 4, 2014,
1077 may continue the implemented changes or continue to implement
1078 proposed changes. Such reliance must be evidenced by a written
1079 collective bargaining proposal or agreement, or formal
1080 correspondence between the municipality and the Department of
1081 Management Services which describes the specific changes to the
1082 local law plan, with the initial proposal, agreement, or
1083 correspondence from the municipality dated before March 4, 2014.
1084 Changes to the local law plan which are otherwise contrary to
1085 the minimum benefits and minimum standards of this chapter may
1086 continue in effect until the earlier of October 1, 2017, or the
1087 effective date of a collective bargaining agreement that is
1088 contrary to the changes to the local law plan.

1089 Section 13. The Legislature finds that a proper and
1090 legitimate state purpose is served when employees and retirees
1091 of this state and its political subdivisions, and the
1092 dependents, survivors, and beneficiaries of such employees and
1093 retirees, are extended the basic protections afforded by
1094 governmental retirement systems that provide fair and adequate
1095 benefits and that are managed, administered, and funded in an
1096 actuarially sound manner as required under s. 14, Article X of
1097 the State Constitution and part VII of chapter 112, Florida
1098 Statutes. Therefore, the Legislature determines and declares
1099 that this act fulfills an important state interest.

1100 Section 14. This act shall take effect July 1, 2014.

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T I T L E A M E N D M E N T

Remove everything before the enacting clause and insert:
An act relating to local government pension reform; amending s. 175.021, F.S.; revising the legislative declaration to require that all firefighter pension plans meet the requirements of ch. 175, F.S., in order to receive insurance premium tax revenues; amending s. 175.032, F.S.; revising definitions to conform to changes made by the act and providing new definitions; amending s. 175.071, F.S.; conforming a cross-reference; amending s. 175.091, F.S.; revising the method of creating and maintaining a firefighters' pension trust fund; amending s. 175.162, F.S.; deleting a provision basing the availability of additional benefits in a firefighter pension plan upon state funding; revising the calculation of monthly retirement income for a full-time firefighter; providing that certain firefighter pension plans must maintain a certain minimum percentage of average final compensation after a specified date; amending s. 175.351, F.S., relating to municipalities and special fire control districts that have their own pension plans and want to participate in the distribution of a tax fund; revising criteria governing the use of revenues from the premium tax; authorizing a pension plan to reduce excess benefits if the plan continues to meet certain minimum benefits and standards; providing that

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1127 the use of premium tax revenues may deviate from the
1128 requirements of ch. 175, F.S., under certain circumstances;
1129 requiring plan sponsors to have a defined contribution plan in
1130 place by a certain date; authorizing a municipality to implement
1131 certain changes to a local law plan which are contrary to ch.
1132 175, F.S., for a limited time; amending s. 185.01, F.S.;
1133 revising the legislative declaration to require that all police
1134 officer pension plans meet the requirements of ch. 185, F.S., in
1135 order to receive insurance premium tax revenues; amending s.
1136 185.02, F.S.; revising definitions to conform to changes made by
1137 the act and adding new definitions; revising applicability of
1138 the limitation on the amount of overtime payments which may be
1139 used for retirement benefit calculations; amending s. 185.06,
1140 F.S.; conforming a cross-reference; amending s. 185.07, F.S.;
1141 revising the method of creating and maintaining a police
1142 officers' retirement trust fund; amending s. 185.16, F.S.;
1143 deleting a provision basing the availability of additional
1144 benefits in a police officer pension plan upon state funding;
1145 revising the calculation of monthly retirement income for a
1146 police officer; providing that certain police officer pension
1147 plans must maintain a certain minimum percentage of average
1148 final compensation after a specified date; amending s. 185.35,
1149 F.S., relating to municipalities that have their own pension
1150 plans for police officers and want to participate in the
1151 distribution of a tax fund; conforming a cross-reference;
1152 revising criteria governing the use of revenues from the premium

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1153 tax; authorizing a plan to reduce excess benefits if the plan
1154 continues to meet certain minimum benefits and minimum
1155 standards; providing that the use of premium tax revenues may
1156 deviate from the requirements of ch. 185, F.S., under specified
1157 circumstances; requiring plan sponsors to have a defined
1158 contribution plan in place by a certain date; authorizing a
1159 municipality to implement certain changes to a local law plan
1160 which are contrary to ch. 185, F.S., for a limited time;
1161 providing a declaration of important state interest; providing
1162 an effective date.

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